

108TH CONGRESS
1ST SESSION

H. R. 2377

To establish the Child Care Provider Development and Retention Grant Program, the Child Care Provider Scholarship Program, and a program of child care provider health benefits coverage, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 5, 2003

Mr. GEORGE MILLER of California (for himself, Mr. PLATTS, Mr. KENNEDY of Rhode Island, Mr. ANDREWS, Mr. SERRANO, Ms. DELAURO, Mr. DAVIS of Illinois, Ms. SOLIS, Mrs. DAVIS of California, Mr. HINOJOSA, Mrs. MCCARTHY of New York, Mr. KILDEE, and Mr. SANDERS) introduced the following bill; which was referred to the Committee on Education and the Workforce, and in addition to the Committee on Energy and Commerce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To establish the Child Care Provider Development and Retention Grant Program, the Child Care Provider Scholarship Program, and a program of child care provider health benefits coverage, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Focus On Committed
3 and Underpaid Staff for Children’s Sake Act” or as the
4 “FOCUS Act”.

5 **SEC. 2. FINDINGS AND PURPOSE.**

6 (a) FINDINGS.—Congress makes the following find-
7 ings:

8 (1) Research on early brain development and
9 early childhood demonstrates that the experiences
10 children have and the attachments children form
11 early in life have a decisive, long-lasting impact on
12 their later development and learning.

13 (2) High-quality, developmentally appropriate
14 child care beginning in early childhood and con-
15 tinuing through the years that children are in school
16 improves the scholastic success and educational at-
17 tainment of children, and the success and attain-
18 ment persist into adulthood.

19 (3) According to a growing body of research,
20 the single most important determinant of child care
21 quality is the presence of consistent, sensitive, well-
22 trained, and well-compensated child care providers.
23 However, child care programs nationwide experience
24 high turnover in teaching staff, fueled by poor com-
25 pensation and few opportunities for advancement.

1 (4) The Department of Labor reports that, in
2 2001, the average wage for a child care provider was
3 \$8.16 per hour, or \$16,980 annually. For full-time,
4 full-year work, the average annual wage for a child
5 care provider was not much above the 2001 poverty
6 line of \$14,630 for a family consisting of a parent
7 and 2 children. Family child care providers earned
8 even less. The median weekly wage of a family child
9 care provider in 2001 was \$264, which equals an an-
10 nual wage of \$13,728.

11 (5) Despite the important role child care pro-
12 viders may play in early child development and
13 learning, on average, a child care provider earns less
14 in a year than a bus driver (\$29,430), barber
15 (\$21,190), or janitor (\$19,800).

16 (6) Employer-sponsored benefits are minimal
17 for most child care staff. Even for child care pro-
18 viders at child care centers, the availability of health
19 care coverage for staff remains woefully inadequate.

20 (7) To offer compensation that would be suffi-
21 cient to attract and retain qualified child care pro-
22 viders, child care programs would have to charge
23 parents fees that many parents could not afford. For
24 programs that serve low-income children whose fami-
25 lies qualify for Federal and State child care sub-

1 sidies, the reimbursement rates set by the State
2 strongly influence the level of compensation that
3 staff receive. Current reimbursement rates for cen-
4 ter-based child care services and family child care
5 services are insufficient to recruit and retain quali-
6 fied child care providers and to ensure high-quality
7 services for children.

8 (8) Teachers leaving the profession are being
9 replaced by staff with less education and formal
10 training in early child development.

11 (9) As a result of low wages and limited bene-
12 fits, many child care providers do not work for long
13 periods in the child care field. Approximately 30 per-
14 cent of all teaching staff employed at child care cen-
15 ters leaves employment with a child care center each
16 year.

17 (10) Child care providers, as well as the chil-
18 dren, families, and businesses that depend upon the
19 providers, suffer the consequences of inadequate
20 compensation. This is true, with few exceptions, for
21 providers in all types of programs, including sub-
22 sidized and nonsubsidized programs, programs of-
23 fered by for-profit and nonprofit entities, and pro-
24 grams in large and small child care settings.

1 (11) Because of the severe nationwide shortage
2 of qualified staff available for employment by child
3 care programs, several States have recently initiated
4 programs to improve the quality of child care by in-
5 creasing the training and compensation of child care
6 providers. Such programs encourage the training,
7 education, and increased retention of qualified child
8 care providers by offering financial incentives, in-
9 cluding scholarships and increases in compensation,
10 that range from \$350 to \$6,500 annually.

11 (12) Family child care providers are almost
12 twice as likely to lack health insurance as the gen-
13 eral population. One in four child care centers does
14 not offer health insurance benefits to employees.
15 Even child care providers with health insurance cov-
16 erage state that it is difficult to afford out-of-pocket
17 health care expenses.

18 (13) In a study of lower income family child
19 care providers without health insurance, more than
20 half had used emergency room services for their own
21 health care in the past year.

22 (b) PURPOSES.—The purposes of this Act are—

23 (1) to establish the Child Care Provider Devel-
24 opment and Retention Grant Program, the Child

1 Care Provider Scholarship Program, and a program
2 of child care provider health benefits coverage; and
3 (2) to help children receive the high quality
4 child care and early education the children need for
5 positive cognitive and social development, by reward-
6 ing and promoting the retention of committed, quali-
7 fied child care providers and by providing financial
8 assistance to improve the educational qualifications
9 of child care providers.

10 **SEC. 3. DEFINITIONS.**

11 In this Act:

12 (1) CHILD CARE PROVIDER.—The term “child
13 care provider” means an individual who provides a
14 service directly to a child on a person-to-person basis
15 for compensation for—

16 (A) a center-based child care provider that
17 is licensed or regulated under State or local law
18 and that satisfies the State and local require-
19 ments applicable to the child care services pro-
20 vided;

21 (B) a licensed or regulated family child
22 care provider that satisfies the State and local
23 requirements applicable to the child care serv-
24 ices provided; or

1 (C) an out-of-school time program that is
2 licensed or regulated under State or local law
3 and that satisfies the State and local require-
4 ments applicable to the child care services pro-
5 vided.

6 (2) FAMILY CHILD CARE PROVIDER.—The term
7 “family child care provider” has the meaning given
8 such term in section 658P of the Child Care and
9 Development Block Grant Act of 1990 (42 U.S.C.
10 9858n).

11 (3) INDIAN TRIBE.—The term “Indian tribe”
12 has the meaning given such term in section 4 of the
13 Indian Self-Determination and Education Assistance
14 Act (25 U.S.C. 450b).

15 (4) LEAD AGENCY.—The term “lead agency”
16 means the agency designated under section 658D of
17 the Child Care and Development Block Grant Act of
18 1990 (42 U.S.C. 9858b).

19 (5) SECRETARY.—The term “Secretary” means
20 the Secretary of Health and Human Services.

21 (6) STATE.—The term “State” means any of
22 the several States, the District of Columbia, the
23 Commonwealth of Puerto Rico, the Virgin Islands of
24 the United States, Guam, American Samoa, or the
25 Commonwealth of the Northern Mariana Islands.

1 (7) TRIBAL ORGANIZATION.—The term “tribal
2 organization” has the meaning given the term in
3 section 4 of the Indian Self-Determination and Edu-
4 cation Assistance Act (25 U.S.C. 450b).

5 **SEC. 4. FUNDS FOR CHILD CARE PROVIDER DEVELOPMENT**
6 **AND RETENTION GRANTS, SCHOLARSHIPS,**
7 **AND HEALTH BENEFITS COVERAGE.**

8 (a) IN GENERAL.—From amounts appropriated to
9 carry out this Act, the Secretary may allot and distribute
10 funds to eligible States, and make payments to Indian
11 tribes and tribal organizations, to pay for the Federal
12 share of the cost of carrying out activities under sections
13 7, 8, and 9 for eligible child care providers.

14 (b) ALLOTMENTS.—The funds shall be allotted and
15 distributed, and the payments shall be made, by the Sec-
16 retary in accordance with section 5, and expended by the
17 States (directly, or at the option of the States, through
18 units of general purpose local government), and by Indian
19 tribes and tribal organizations, in accordance with this
20 Act.

21 **SEC. 5. ALLOTMENTS TO STATES.**

22 (a) AMOUNTS RESERVED.—

23 (1) TERRITORIES AND POSSESSIONS.—The Sec-
24 retary shall reserve not more than $\frac{1}{2}$ of 1 percent
25 of the funds appropriated under section 12(a), and

1 not more than $\frac{1}{2}$ of 1 percent of the funds appro-
2 priated under section 12(b), for any fiscal year for
3 payments to the Virgin Islands of the United States,
4 Guam, American Samoa, and the Commonwealth of
5 the Northern Mariana Islands, to be allotted in ac-
6 cordance with their respective needs.

7 (2) INDIAN TRIBES AND TRIBAL ORGANIZA-
8 TIONS.—The Secretary shall reserve not more than
9 3 percent of the funds appropriated under section
10 12(a), and not more than 3 percent of the funds ap-
11 propriated under section 12(b), for any fiscal year
12 for payments to Indian tribes and tribal organiza-
13 tions with applications approved under subsection
14 (c).

15 (b) ALLOTMENTS TO REMAINING STATES.—

16 (1) GENERAL AUTHORITY.—From the funds
17 appropriated under section 12(a) for any fiscal year
18 and remaining after the reservations made under
19 subsection (a), and from the funds appropriated
20 under section 12(b) for any fiscal year and remain-
21 ing after the reservations made under subsection (a),
22 the Secretary shall allot to each State an amount
23 equal to the sum of—

24 (A) an amount that bears the same ratio
25 to 50 percent of the appropriate remainder as

1 the product of the young child factor of the
2 State and the allotment percentage of the State
3 bears to the sum of the corresponding products
4 for all States; and

5 (B) an amount that bears the same ratio
6 to 50 percent of such remainder as the product
7 of the school lunch factor of the State and the
8 allotment percentage of the State bears to the
9 sum of the corresponding products for all
10 States.

11 (2) YOUNG CHILD FACTOR.—In this subsection,
12 the term “young child factor” means the ratio of the
13 number of children under 5 years of age in the State
14 to the number of such children in all the States, as
15 determined according to the most recent annual esti-
16 mates of population in the States, as provided by the
17 Bureau of the Census.

18 (3) SCHOOL LUNCH FACTOR.—In this sub-
19 section, the term “school lunch factor” means the
20 ratio of the number of children who are receiving
21 free or reduced price lunches under the school lunch
22 program established under the Richard B. Russell
23 National School Lunch Act (42 U.S.C. 1751 et seq.)
24 in the State to the number of such children in all

1 the States, as determined annually by the Depart-
2 ment of Agriculture.

3 (4) ALLOTMENT PERCENTAGE.—

4 (A) IN GENERAL.—Except as provided in
5 subparagraph (B), for purposes of this sub-
6 section, the allotment percentage for a State
7 shall be determined by dividing the per capita
8 income of all individuals in the United States,
9 by the per capita income of all individuals in
10 the State.

11 (B) LIMITATIONS.—For purposes of this
12 subsection, if an allotment percentage deter-
13 mined under subparagraph (A)—

14 (i) is more than 1.2 percent, the allot-
15 ment percentage of that State shall be con-
16 sidered to be 1.2 percent; and

17 (ii) is less than 0.8 percent, the allot-
18 ment percentage of the State shall be con-
19 sidered to be 0.8 percent.

20 (C) PER CAPITA INCOME.—For purposes
21 of subparagraph (A), per capita income shall
22 be—

23 (i) determined at 2-year intervals;

24 (ii) applied for the 2-year period be-
25 ginning on October 1 of the first fiscal

1 year beginning after the date such deter-
2 mination is made; and

3 (iii) equal to the average of the an-
4 nual per capita incomes for the most re-
5 cent period of 3 consecutive years for
6 which satisfactory data are available from
7 the Department of Commerce at the time
8 such determination is made.

9 (c) PAYMENTS TO INDIAN TRIBES AND TRIBAL OR-
10 GANIZATIONS.—

11 (1) RESERVATION OF FUNDS.—From amounts
12 reserved under subsection (a)(2), the Secretary may
13 make grants to or enter into contracts with Indian
14 tribes and tribal organizations that submit applica-
15 tions under this subsection, to plan and carry out
16 programs and activities—

17 (A) to encourage child care providers to
18 improve their qualifications;

19 (B) to retain qualified child care providers
20 in the child care field; and

21 (C) to provide health benefits coverage for
22 child care providers.

23 (2) APPLICATIONS AND REQUIREMENTS.—To
24 be eligible to receive a grant or contract under this
25 subsection, an Indian tribe or tribal organization

1 shall submit an application to the Secretary at such
2 time, in such manner, and containing such informa-
3 tion as the Secretary may require. The application
4 shall provide that the applicant—

5 (A) will coordinate the programs and ac-
6 tivities involved, to the maximum extent prac-
7 ticable, with the lead agency in each State in
8 which the applicant will carry out such pro-
9 grams and activities; and

10 (B) will make such reports on, and conduct
11 such audits of the funds made available through
12 the grant or contract for, programs and activi-
13 ties under this Act as the Secretary may re-
14 quire.

15 (d) DATA AND INFORMATION.—The Secretary shall
16 obtain from each appropriate Federal agency, the most re-
17 cent data and information necessary to determine the al-
18 lotments provided for in subsection (b).

19 (e) REALLOTMENTS.—

20 (1) IN GENERAL.—Any portion of an allotment
21 under subsection (b) to a State for a fiscal year that
22 the Secretary determines will not be distributed to
23 the State for such fiscal year shall be reallocated by
24 the Secretary to other States in proportion to the

1 original corresponding allotments made under such
2 subsection to such States for such fiscal year.

3 (2) LIMITATIONS.—

4 (A) REDUCTION.—The amount of any re-
5 allotment to which a State is entitled under this
6 subsection shall be reduced to the extent that
7 such amount exceeds the amount that the Sec-
8 retary estimates will be distributed to the State
9 to carry out corresponding activities under this
10 Act.

11 (B) REALLOTMENTS.—The amount of
12 such reduction shall be reallocated to States for
13 which no reduction in a corresponding allot-
14 ment, or in a corresponding reallocation, is re-
15 quired by this subsection, in proportion to the
16 original corresponding allotments made under
17 subsection (b) to such States for such fiscal
18 year.

19 (3) AMOUNTS REALLOCATED.—For purposes of
20 this Act (other than this subsection and subsection
21 (b)), any amount reallocated to a State under this
22 subsection shall be considered to be part of the cor-
23 responding allotment made under subsection (b) to
24 the State.

1 (4) INDIAN TRIBES OR TRIBAL ORGANIZA-
2 TIONS.—Any portion of a grant or contract made to
3 an Indian tribe or tribal organization under sub-
4 section (c) that the Secretary determines is not
5 being used in a manner consistent with the provision
6 of this subchapter in the period for which the grant
7 or contract is made available, shall be used by the
8 Secretary to make payments to other tribes or orga-
9 nizations that have submitted applications under
10 subsection (c) in accordance with their respective
11 needs.

12 (f) COST-SHARING.—

13 (1) CHILD CARE PROVIDER DEVELOPMENT AND
14 RETENTION GRANTS AND SCHOLARSHIPS.—

15 (A) FEDERAL SHARE.—The Federal share
16 of the cost of carrying out activities under sec-
17 tions 7 and 8, with funds allotted under this
18 section and distributed by the Secretary to a
19 State, shall be—

20 (i) not more than 90 percent of the
21 cost of each grant made under such sec-
22 tions, in the first fiscal year for which the
23 State receives such funds;

24 (ii) not more than 85 percent of the
25 cost of each grant made under such sec-

tions, in the second fiscal year for which the State receives such funds;

(iii) not more than 80 percent of the cost of each grant made under such sections, in the third fiscal year for which the State receives such funds; and

(iv) not more than 75 percent of the cost of each grant made under such sections, in any subsequent fiscal year for which the State receives such funds.

(B) NON-FEDERAL SHARE.—

(i) IN GENERAL.—The State may provide the non-Federal share of the cost in cash or in the form of an in-kind contribution, fairly evaluated by the Secretary.

(ii) IN-KIND CONTRIBUTION.—In this subparagraph, the term “in-kind contribution” means payment of the costs of participation of eligible child care providers in health insurance programs or retirement programs.

(2) CHILD CARE PROVIDER HEALTH BENEFITS COVERAGE.—

(A) FEDERAL SHARE.—The Federal share of the cost of carrying out activities under sec-

1 tion 9, with funds allotted under this section
2 and distributed by the Secretary to a State,
3 shall be not more than 50 percent of such cost.

4 (B) NON-FEDERAL SHARE.—The State
5 may provide the non-Federal share of the cost
6 in cash or in kind, fairly evaluated by the Sec-
7 retary, including plant, equipment, or services.
8 The State shall provide the non-Federal share
9 directly or through donations from public or
10 private entities. Amounts provided by the Fed-
11 eral Government, or services assisted or sub-
12 sidized to any significant extent by the Federal
13 Government, may not be included in deter-
14 mining the amount of such share.

15 (g) AVAILABILITY OF ALLOTTED FUNDS DISTRIB-
16 UTED TO STATES.—Of the funds allotted under this sec-
17 tion for activities described in sections 7 and 8 and distrib-
18 uted by the Secretary to a State for a fiscal year—

19 (1) not less than 67.5 percent shall be available
20 to the State for grants under section 7;

21 (2) not less than 22.5 percent shall be available
22 to the State for grants under section 8; and

23 (3) not more than 10 percent shall be available
24 to pay administrative costs incurred by the State to
25 carry out activities described in sections 7 and 8.

1 (h) DEFINITION.—For the purposes of subsections
2 (a) through (e), the term “State” includes only the 50
3 States, the District of Columbia, and the Commonwealth
4 of Puerto Rico.

5 **SEC. 6. APPLICATION AND PLAN.**

6 (a) APPLICATION.—To be eligible to receive a dis-
7 tribution of funds allotted under section 5, a State shall
8 submit to the Secretary an application at such time, in
9 such manner, and containing such information as the Sec-
10 retary may require by rule and shall include in such appli-
11 cation—

12 (1) a State plan that satisfies the requirements
13 of subsection (b); and

14 (2) assurances of compliance satisfactory to the
15 Secretary with respect to the requirements of section
16 9.

17 (b) REQUIREMENTS OF PLAN.—

18 (1) LEAD AGENCY.—The State plan shall iden-
19 tify the lead agency to make grants under this Act
20 for the State.

21 (2) RECRUITMENT AND RETENTION OF CHILD
22 CARE PROVIDERS.—The State plan shall describe
23 how the lead agency will encourage both the recruit-
24 ment of qualified child care providers who are new
25 to the child care field and the retention of qualified

1 child care providers who have a demonstrated com-
2 mitment to the child care field.

3 (3) NOTIFICATION OF AVAILABILITY OF GRANTS
4 AND BENEFITS.—The State plan shall describe how
5 the lead agency will identify all eligible child care
6 providers in the State and notify the providers of the
7 availability of grants and benefits under this Act.

8 (4) DISTRIBUTION OF GRANTS.—The State
9 plan shall describe how the lead agency will make
10 grants under sections 7 and 8 to eligible child care
11 providers in selected geographical areas in the State
12 in compliance with the following requirements:

13 (A) SELECTION OF GEOGRAPHICAL
14 AREAS.—For the purpose of making such
15 grants for a fiscal year, the State shall—

16 (i) select a variety of geographical
17 areas, determined by the State, that, col-
18 lectively—

19 (I) include urban areas, suburban
20 areas, and rural areas; and

21 (II) are areas whose residents
22 have diverse income levels; and

23 (ii) give special consideration to geo-
24 graphical areas selected under this sub-
25 paragraph for the preceding fiscal year.

1 (B) SELECTION OF CHILD CARE PRO-
2 VIDERS TO RECEIVE GRANTS.—In making
3 grants under section 7, the State may make
4 grants only to eligible child care providers in
5 geographical areas selected under subparagraph
6 (A), but may give special consideration in such
7 areas to eligible child care providers—

8 (i) who have attained a higher rel-
9 evant educational credential;

10 (ii) who provide a specific kind of
11 child care services;

12 (iii) who provide child care services to
13 populations who meet specific economic
14 characteristics; or

15 (iv) who meet such other criteria as
16 the State may establish.

17 (C) LIMITATION.—The State shall describe
18 how the State will ensure that grants made
19 under section 7 to child care providers will not
20 be used to offset reductions in the compensation
21 of such providers.

22 (D) REPORTING REQUIREMENT.—With re-
23 spect to each particular geographical area se-
24 lected under subparagraph (A), the State shall
25 provide an assurance that the State will, for

1 each fiscal year for which such State receives a
2 grant under section 7—

3 (i) include in the report required by
4 section 10, detailed information regard-
5 ing—

6 (I) the continuity of employment
7 of the grant recipients as child care
8 providers with the same employer;

9 (II) with respect to each em-
10 ployer that employed such a grant re-
11 cipient, whether such employer was
12 accredited by a recognized national or
13 State accrediting body during the pe-
14 riod of employment; and

15 (III) to the extent practicable
16 and available to the State, the rate
17 and frequency of employment turnover
18 of qualified child care providers
19 throughout such area,
20 during the 2-year period ending on the
21 deadline for submission of applications for
22 grants under section 7 for that fiscal year;
23 and

24 (ii) provide a follow-up report, not
25 later than 90 days after the end of the suc-

ceeding fiscal year that includes information regarding—

(I) the continuity of employment of the grant recipients as child care providers with the same employer;

(II) with respect to each employer that employed such a grant recipient, whether such employer was accredited by a recognized national or State accrediting body during the period of employment; and

(III) to the extent practicable and available to the State, detailed information regarding the rate and frequency of employment turnover of qualified child care providers throughout such area,

during the 1-year period beginning on the date on which the grant to the State was made under section 7.

(5) CHILD CARE PROVIDER DEVELOPMENT AND RETENTION GRANT PROGRAM.—The State plan shall describe how the lead agency will determine the amounts of grants to be made under section 7 in accordance with the following requirements:

1 (A) SUFFICIENT AMOUNTS.—The State
2 shall demonstrate that the amounts of indi-
3 vidual grants to be made under section 7 will
4 be sufficient—

5 (i) to encourage child care providers
6 to improve their qualifications; and

7 (ii) to retain qualified child care pro-
8 viders in the child care field.

9 (B) AMOUNTS TO CREDENTIALLED PRO-
10 VIDERS.—Such grants made to eligible child
11 care providers who have a child development as-
12 sociate credential (or equivalent) and who are
13 employed full-time to provide child care services
14 shall be in an amount that is not less than
15 \$1,000 per year.

16 (C) AMOUNTS TO PROVIDERS WITH HIGH-
17 ER LEVELS OF EDUCATION.—The State shall
18 make such grants in amounts greater than
19 \$1,000 per year to eligible child care providers
20 who have higher levels of education than the
21 education required for a credential such as a
22 child development associate credential (or equiv-
23 alent), according to the following requirements:

24 (i) PROVIDERS WITH BACCALAUREATE
25 DEGREES IN RELEVANT FIELDS.—An eligi-

ble child care provider who has a baccalaureate degree in the area of child development or early child education shall receive a grant under section 7 in an amount that is not less than twice the amount of the grant that is made under section 7 to an eligible child care provider who has an associate of the arts degree in the area of child development or early child education.

(ii) PROVIDERS WITH ASSOCIATE DEGREES.—An eligible child care provider who has an associate of the arts degree in the area of child development or early child education shall receive a grant under section 7 in an amount that is not less than 150 percent of the amount of the grant that is made under section 7 to an eligible child care provider who has a child development associate credential (or equivalent) and is employed full-time to provide child care services.

(iii) OTHER PROVIDERS WITH BACCALAUREATE DEGREES.—

(I) IN GENERAL.—Except as provided in subclause (II), an eligible

1 child care provider who has a bacca-
2 laureate degree in a field other than
3 child development or early child edu-
4 cation shall receive a grant under sec-
5 tion 7 in an amount equal to the
6 amount of the grant that is made
7 under section 7 to an eligible child
8 care provider who has an associate of
9 the arts degree in the area of child de-
10 velopment or early child education.

11 (II) EXCEPTION.—If an eligible
12 child care provider who has such a
13 baccalaureate degree obtains addi-
14 tional educational training in the area
15 of child development or early child
16 education, as specified by the State,
17 such provider shall receive a grant
18 under section 7 in an amount equal to
19 the amount of the grant that is made
20 under section 7 to an eligible child
21 care provider who has a baccalaureate
22 degree specified in clause (i).

23 (D) AMOUNTS TO FULL-TIME PRO-
24 VIDERS.—The State shall make a grant under
25 section 7 to an eligible child care provider who

1 works full-time in a greater amount than the
2 amount of the grant that is made under section
3 7 to an eligible child care provider who works
4 part-time, based on the State definitions of full-
5 time and part-time work.

6 (E) AMOUNTS TO EXPERIENCED PRO-
7 VIDERS.—The State shall make grants under
8 section 7 in progressively larger amounts to eli-
9 gible child care providers to reflect the number
10 of years worked as child care providers.

11 (6) DISTRIBUTION OF CHILD CARE PROVIDER
12 SCHOLARSHIPS.—The State plan shall describe how
13 the lead agency will make grants for scholarships in
14 compliance with section 8 and shall specify the types
15 of educational and training programs for which the
16 scholarship grants made under such section may be
17 used, including only programs that—

18 (A) are administered by institutions of
19 higher education that are eligible to participate
20 in student financial assistance programs under
21 title IV of the Higher Education Act of 1965
22 (20 U.S.C. 1070 et seq.); and

23 (B) lead to a State or nationally recog-
24 nized credential in the area of child develop-
25 ment or early child education, an associate of

1 the arts degree in the area of child development
2 or early child education, or a baccalaureate de-
3 gree in the area of child development or early
4 child education.

5 (7) EMPLOYER CONTRIBUTION.—The State
6 plan shall describe how the lead agency will encour-
7 age employers of child care providers to contribute
8 to the attainment of education goals by eligible child
9 care providers who receive grants under section 8.

10 (8) SUPPLEMENTATION.—The State plan shall
11 provide assurances that amounts received by the
12 State to carry out sections 7, 8, and 9 will be used
13 only to supplement, and not to supplant, Federal,
14 State, and local funds otherwise available to support
15 existing services and activities (as of the date the
16 amounts are used) that—

17 (A) encourage child care providers to im-
18 prove their qualifications and that promote the
19 retention of qualified child care providers in the
20 child care field; or

21 (B) provide health benefits coverage for
22 child care providers.

1 **SEC. 7. CHILD CARE PROVIDER DEVELOPMENT AND RE-**
2 **TENTION GRANT PROGRAM.**

3 (a) IN GENERAL.—A State that receives funds allot-
4 ted under section 5 and made available to carry out this
5 section shall expend such funds to pay for the Federal
6 share of the cost of making grants to eligible child care
7 providers in accordance with this section, to improve the
8 qualifications and promote the retention of qualified child
9 care providers.

10 (b) ELIGIBILITY TO RECEIVE GRANTS.—To be eligi-
11 ble to receive a grant under this section, a child care pro-
12 vider shall—

13 (1) have a child development associate creden-
14 tial (or equivalent), an associate of the arts degree
15 in the area of child development or early child edu-
16 cation, a baccalaureate degree in the area of child
17 development or early child education, or a bacca-
18 laureate degree in an unrelated field; and

19 (2) be employed as a child care provider for not
20 less than 1 calendar year, or (if the provider is em-
21 ployed on the date of the eligibility determination in
22 a child care program that operates for less than a
23 full calendar year) the program equivalent of 1 cal-
24 endar year, ending on the date of the application for
25 such grant, except that not more than 3 months of
26 education related to child development or to early

1 child education obtained during the corresponding
2 calendar year may be treated as employment that
3 satisfies the requirements of this paragraph.

4 (c) PRESERVATION OF ELIGIBILITY.—A State shall
5 not take into consideration whether a child care provider
6 is receiving, may receive, or may be eligible to receive any
7 funds or benefits under any other provision of this Act
8 for purposes of selecting eligible child care providers to
9 receive grants under this section.

10 **SEC. 8. CHILD CARE PROVIDER SCHOLARSHIP PROGRAM.**

11 (a) IN GENERAL.—A State that receives funds allot-
12 ted under section 5 and made available to carry out this
13 section shall expend such funds to pay for the Federal
14 share of the cost of making scholarship grants to eligible
15 child care providers in accordance with this section, to im-
16 prove their educational qualifications to provide child care
17 services.

18 (b) ELIGIBILITY REQUIREMENT FOR SCHOLARSHIP
19 GRANTS.—To be eligible to receive a scholarship grant
20 under this section, a child care provider shall be employed
21 as a child care provider for not less than 1 calendar year,
22 or (if the provider is employed on the date of the eligibility
23 determination in a child care program that operates for
24 less than a full calendar year) the program equivalent of

1 1 calendar year, ending on the date of the application for
2 such grant.

3 (c) SELECTION OF GRANTEES.—For purposes of se-
4 lecting eligible child care providers to receive scholarship
5 grants under this section and determining the amounts of
6 such grants, a State shall not—

7 (1) take into consideration whether a child care
8 provider is receiving, may receive, or may be eligible
9 to receive any funds or benefits under any other pro-
10 vision of this Act, or under any other Federal or
11 State law that provides funds for educational pur-
12 poses; or

13 (2) consider as resources of such provider any
14 funds such provider is receiving, may receive, or may
15 be eligible to receive under any other provision of
16 this Act, under any other Federal or State law that
17 provides funds for educational purposes, or from a
18 private entity.

19 (d) COST-SHARING REQUIRED.—The amount of a
20 scholarship grant made under this section to an eligible
21 child care provider shall be less than the cost of the edu-
22 cational or training program for which such grant is made.

23 (e) ANNUAL MAXIMUM SCHOLARSHIP GRANT
24 AMOUNT.—The maximum aggregate dollar amount of a

1 scholarship grant made by a State to an eligible child care
 2 provider under this section in a fiscal year shall be \$1,500.

3 **SEC. 9. CHILD CARE PROVIDER HEALTH BENEFITS COV-**
 4 **ERAGE.**

5 (a) SHORT TITLE.—This section may be cited as the
 6 “Healthy Early Education Workforce Grant Program
 7 Act”.

8 (b) DEFINITION.—In this section, the terms “depend-
 9 ent”, “domestic partner”, and “spouse”, used with respect
 10 to a State, have the meanings given the terms by the
 11 State.

12 (c) GENERAL AUTHORITY.—A State that receives
 13 funds allotted under section 5 and made available to carry
 14 out this section shall expend such funds to pay for the
 15 Federal share of the cost of providing access to affordable
 16 health benefits coverage for—

17 (1) eligible child care providers; and

18 (2) at the discretion of the State involved, the
 19 spouses, domestic partners, and dependents of such
 20 providers.

21 (d) PERMISSIBLE ACTIVITIES.—In carrying out sub-
 22 section (c), the State may expend such funds for any of
 23 the following:

24 (1) To reimburse an employer of an eligible
 25 child care provider, or the provider, for the employ-

1 er's or provider's share (or a portion of the share)
2 of the premiums or other costs for coverage under
3 group or individual health plans.

4 (2) To offset the cost of enrolling eligible child
5 care providers in public health benefits plans, such
6 as the medicaid program under title XIX of the So-
7 cial Security Act (42 U.S.C. 1396 et seq.), the State
8 children's health insurance program under title XXI
9 of such Act (42 U.S.C. 1397aa et seq.), or public
10 employee health benefit plans.

11 (3) To otherwise subsidize the cost of health
12 benefits coverage for eligible child care providers.

13 (e) ELIGIBILITY CRITERIA FOR HEALTH BENEFITS
14 COVERAGE.—The State may establish criteria to limit the
15 child care providers who may receive benefits through the
16 allotment.

17 (f) SELECTION OF GRANTEES.—For purposes of se-
18 lecting eligible child care providers to receive benefits
19 under this section for a fiscal year, a State shall give—

20 (1) highest priority to—

21 (A) providers that meet any applicable cri-
22 teria established in accordance with subsection
23 (e) and received such assistance during the pre-
24 vious fiscal year; and

1 (B) at the State’s discretion, the spouses,
 2 domestic partners, and dependents of such pro-
 3 viders; and

4 (2) second highest priority to—

5 (A) providers that meet any applicable cri-
 6 teria established in accordance with subsection
 7 (e) and are accredited by the National Associa-
 8 tion for the Education of Young Children or the
 9 National Association for Family Child Care;
 10 and

11 (B) at the State’s discretion, the spouses,
 12 domestic partners, and dependents of such pro-
 13 viders.

14 **SEC. 10. ANNUAL REPORT.**

15 A State that receives funds appropriated to carry out
 16 this Act for a fiscal year shall submit to the Secretary,
 17 not later than 90 days after the end of such fiscal year,
 18 a report—

19 (1) specifying the uses for which the State ex-
 20 pended such funds, and the aggregate amount of
 21 funds (including State funds) expended for each of
 22 such uses;

23 (2) containing available data relating to grants
 24 made and benefits provided with such funds, includ-
 25 ing—

1 (A) the number of eligible child care pro-
2 viders who received such grants and benefits;

3 (B) the amounts of such grants and bene-
4 fits;

5 (C) any other information that describes or
6 evaluates the effectiveness of this Act;

7 (D) the particular geographical areas se-
8 lected under section 6 for the purpose of mak-
9 ing such grants;

10 (E) with respect to grants made under sec-
11 tion 7—

12 (i) the number of years grant recipi-
13 ents have been employed as child care pro-
14 viders;

15 (ii) the level of training and education
16 of grant recipients;

17 (iii) to the extent practicable and
18 available to the State, detailed information
19 regarding the salaries and other compensa-
20 tion received by grant recipients to provide
21 child care services before, during, and after
22 receiving such grants;

23 (iv) the number of children who re-
24 ceived child care services provided by grant
25 recipients;

1 (v) information on family demo-
2 graphics of such children;

3 (vi) the types of settings described in
4 subparagraphs (A), (B), and (C) of section
5 3(1) in which grant recipients are em-
6 ployed; and

7 (vii) the ages of the children who re-
8 ceived child care services provided by grant
9 recipients;

10 (F) with respect to grants made under sec-
11 tion 8—

12 (i) the number of years grant recipi-
13 ents have been employed as child care pro-
14 viders;

15 (ii) the level of training and education
16 of grant recipients;

17 (iii) to the extent practicable and
18 available to the State, detailed information
19 regarding the salaries and other compensa-
20 tion received by grant recipients to provide
21 child care services before, during, and after
22 receiving such grants;

23 (iv) the types of settings described in
24 subparagraphs (A), (B), and (C) of section

1 3(1) in which grant recipients are em-
2 ployed;

3 (v) the ages of the children who re-
4 ceived child care services provided by grant
5 recipients;

6 (vi) the number of course credits or
7 credentials obtained by grant recipients;
8 and

9 (vii) the amount of time taken for
10 completion of the educational and training
11 programs for which such grants were
12 made; and

13 (G) such other information as the Sec-
14 retary may require by rule.

15 **SEC. 11. EVALUATION OF HEALTH BENEFITS PROGRAMS BY**
16 **SECRETARY.**

17 (a) **EVALUATION.**—The Secretary shall conduct an
18 evaluation of several State programs carried out with
19 grants made under section 9, representing various ap-
20 proaches to raising the rate of child care providers with
21 health benefits coverage.

22 (b) **ASSESSMENT OF IMPACTS.**—In evaluating State
23 programs under subsection (a), the Secretary may con-
24 sider any information appropriate to measure the success

1 of the programs, and shall assess the impact of the pro-
 2 grams on the following:

3 (1) The rate of child care providers with health
 4 benefits coverage.

5 (2) The take-up rate by eligible child care pro-
 6 viders.

7 (3) The turnover rate in the child care field.

8 (4) The average wages paid to a child care pro-
 9 vider.

10 (c) REPORT.—Not later than 3 years after the date
 11 of enactment of this Act, the Secretary shall prepare and
 12 submit a report to Congress containing the results of the
 13 evaluation conducted under subsection (a), together with
 14 recommendations for strengthening programs carried out
 15 with grants made under section 9.

16 **SEC. 12. AUTHORIZATION OF APPROPRIATIONS.**

17 (a) CHILD CARE PROVIDER DEVELOPMENT, RETEN-
 18 TION, AND SCHOLARSHIPS.—There are authorized to be
 19 appropriated to carry out the activities described in sec-
 20 tions 7 and 8 \$500,000,000 for fiscal year 2004 and such
 21 sums as may be necessary for each of fiscal years 2005
 22 through 2008.

23 (b) CHILD CARE PROVIDER HEALTH BENEFITS COV-
 24 ERAGE.—There is authorized to be appropriated to carry
 25 out the activities described in section 9 \$200,000,000 for

- 1 fiscal year 2004 and such sums as may be necessary for
- 2 each of fiscal years 2005 through 2008.

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